



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

Washington, D.C. 20226

Number: 76-8

Date: March 22, 1976

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NONBEVERAGE DRAWBACK FORMULAS AND PRODUCTS

Manufacturers of Nonbeverage Products,
and Others Concerned:

Purpose. This circular is issued to remind manufacturers of nonbeverage products that claims for drawback of taxes paid on distilled spirits used in the manufacture of nonbeverage products will not be allowed unless those products are manufactured in strict accordance with approved formulas. Manufacturers of nonbeverage products are also advised that, effective with the publication of this circular, any future amendment, revision, or restatement of a nonbeverage product formula on file with this Bureau will require the submission of Form 1678, Formula and Process for Nonbeverage Product, bearing a new formula number.

Background. The Bureau of Alcohol, Tobacco and Firearms has, on occasion, permitted changes to be made to Forms 1678 by rider, without requiring a change in the original formula number. However, it has been found that riders and amendments to nonbeverage drawback formulas complicate ATF claims inspection procedures. Moreover, it has been found that some manufacturers have used certain substitute coloring and flavoring materials in their products in lieu of those called for by their approved formulas. ATF has, therefore, decided to adhere, without exception, to that provision of 27 CFR 197.95 which states that "Amended or revised formulas will be considered as new formulas and serially numbered accordingly."

Conclusions. Manufacturers of nonbeverage products are required to file a new formula, bearing a new serial number, in order to effect any amendment, revision, or restatement of an approved formula, on Form 1678. Unless a manufacturer is otherwise notified, however, new Forms 1678 need not be submitted to perfect those formulas for which amendments or revisions have been approved prior to the date of this circular. However, it is suggested that such formulas be reviewed to determine if they might create problems related to the subject of this circular.

Claims for drawback of taxes paid on distilled spirits used in nonbeverage products will not be approved where it is found that the products were not manufactured in strict accordance with the approved formula or, for formulas approved prior to the date of this circular, with the latest revision of the approved formula.

Inquiries. Inquiries concerning this circular should refer to its number and be addressed to the Assistant Director, Regulatory Enforcement, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, N. W., Washington, D. C. 20226.

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Director

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